

**IN THE ROYAL COURT OF JERSEY
SAMEDI DIVISION**

IN THE MATTER OF

MONUMENT INSURANCE DESIGNATED ACTIVITY COMPANY

IN THE MATTER OF

MONUMENT ASSURANCE DESIGNATED ACTIVITY COMPANY

and

IN THE MATTER OF

MONUMENT LIFE INSURANCE DAC (PREVIOUSLY LAGUNA LIFE DESIGNATED ACTIVITY COMPANY)

**AND IN THE MATTER OF AN APPLICATION PURSUANT TO ARTICLE 27 OF AND
SCHEDULE 2 TO THE INSURANCE BUSINESS (JERSEY) LAW 1996**

**LONG TERM AND GENERAL INSURANCE BUSINESS
TRANSFER SCHEME**

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PART A - DEFINITIONS AND INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 In this Jersey Scheme (as defined below), the following words and expressions shall have the following meanings:

"**2015 Regulations**" means the European Union (Insurance and Reinsurance) Regulations 2015 (S.I. 485 of 2015) (as amended);

"**Excluded Jersey Assets**" means any and all assets of the Transferors other than the Transferring Jersey Assets;

"**Excluded Jersey Liabilities**" means any and all liabilities of the Transferors other than the Transferring Jersey Liabilities;

"**Insurance Business Law**" means the Insurance Business (Jersey) Law 1996, a Jersey statute;

"**Irish Scheme**" means the scheme for the transfer of insurance business for the purposes of Ireland's Assurance Companies Act 1909 and Insurance Act 1989, and the European Union (Insurance and Reinsurance) Regulations 2015, a copy of which is appended in the Schedule to this Jersey Scheme, with or subject to any modification, addition or change made or imposed from time to time in accordance with its terms;

"**Jersey Books and Records**" means all books, records and other information relating exclusively or primarily to the Jersey Portfolio of Insurance and all information relating to customers, suppliers, agents and distributors and other information in each case relating exclusively to the Jersey Portfolio of Insurance (including the employees in any jurisdiction who are wholly or mainly assigned to the Jersey Portfolio of Insurance immediately before the Jersey Effective Time) (other than the Jersey Retained Records);

"**Jersey Effective Time**" means the time and date when this Jersey Scheme shall become operative in accordance with paragraph 4;

"**Jersey Order**" means an order made by the Royal Court pursuant to Schedule 2 to the Insurance Business Law and/or Article 27 of the Insurance Business Law sanctioning this Jersey Scheme and any order (including any subsequent order) in relation to this Jersey Scheme made by the Royal Court pursuant to the Insurance Business Law;

"**Jersey Policyholder**" means a Policyholder holding a Jersey Policy;

"**Jersey Portfolio of Insurance**" means the Transferring Jersey Policies, the Transferring Jersey Contracts, the Transferring Jersey Liabilities but for the avoidance of doubt, excluding the Excluded Jersey Assets and the Excluded Jersey Liabilities;

"**Jersey Retained Records**" means any accounting and financial and other records of the Transferors relating to the Jersey Portfolio of Insurance, which a Transferor is required by law to retain;

"**Jersey Sanctions Hearing**" the hearing of the application to sanction this Jersey Scheme;

"Jersey Scheme" means this scheme made pursuant to Article 27 of and Schedule 2 to the Insurance Business Law in its original form or with or subject to any modification, addition or condition which may be approved or imposed;

"JFSC" means the Jersey Financial Services Commission (and any successor to such authority);

"Policy" and **"Policyholder"** have the meanings set out in the Insurance Business Law;

"Residual Jersey Assets" means any property or other rights falling within the definition of Transferring Jersey Assets or Transferring Jersey Contracts:

- (i)
 - (a) in respect of which the Royal Court has declined to sanction the transfer to the Transferee under the Insurance Business Law;
 - (b) where the Transferors and the Transferee agree in writing that the transfer of such property should be delayed or such property should not be transferred at all;
 - (c) which is outside the jurisdiction of the Royal Court or in respect of which its transfer pursuant to an order of the Royal Court is not recognised by the laws of the jurisdiction in which the property is situated; or
 - (d) which cannot be transferred or vested in the Transferee for any other reason;
- (ii) together with any proceeds of sale or income or other accrual or return, whether or not in the form of cash, earned or received from time to time after the Jersey Effective Time, in respect of any property referred to in paragraphs (i)(a) to (d) of this definition;

"Residual Jersey Liabilities" means any liability whatsoever of a Transferor in respect of the Transferring Jersey Assets:

- (a) that is attributable to or connected with a Residual Jersey Asset and arises at any time before the Subsequent Jersey Transfer Date applicable to the Residual Jersey Asset;
- (b) in respect of which the Royal Court has declined to order the transfer to the Transferee under the Insurance Business Law;
- (c) which cannot be transferred or vested in the Transferee for any other reason at the Jersey Effective Time; or
- (d) where the Transferors and the Transferee agree in writing that the transfer of such liability should be delayed or that such liability should not be transferred;

"Royal Court" means the Royal Court of Jersey;

"Subsequent Jersey Transfer Date" means, in relation to any Residual Jersey Asset or Residual Jersey Liability, the date after the Jersey Effective Time on which such Residual Jersey Asset or Residual Jersey Liability is or is to be transferred to the Transferee, namely:

- (a) in respect of any Residual Jersey Asset falling within paragraph (i)(a), (i)(c) or (i)(d) of the definition of Residual Jersey Assets, and of any Residual Jersey Liability which is

attributable to or connected with that Residual Jersey Asset, or which falls within paragraph (b) or (c) of the definition of Residual Jersey Liability, the date on which any impediment to its transfer shall have been removed or overcome; and

- (b) in respect of any Residual Jersey Asset falling within paragraph (i)(b) or (ii) of the definition of Residual Jersey Assets, and of any Residual Jersey Liability which is attributable to or connected with that Residual Jersey Asset, and of any Residual Jersey Liability falling within paragraph (d) of the definition of Residual Jersey Liability, the date on which the Transferors and the Transferee agree the transfer should take effect;

"Transferring Jersey Assets" means the assets of the Transferors relating to the Jersey Portfolio of Insurance which are comprised of (i) all assets (in the form of cash or otherwise) backing the Technical Provisions as at the Jersey Effective Time, (ii) all rights of subrogation due on foot of the Jersey Portfolio of Insurance; (iii) the Jersey Books and Records; (iv) all other rights and benefits of the Transferors in respect of the Jersey Portfolio of Insurance but, for the avoidance of any doubt, excluding the Excluded Jersey Assets and the Excluded Jersey Liabilities;

"Transferring Jersey Contracts" means:

- (a) the Master Agency Agreement, to the extent not transferred by the Irish scheme;
- (b) the Outsourcing Agreement, to the extent not transferred by the Irish Scheme; and
- (c) any other contracts to which the Transferors (or either of them) are a party which wholly relate to the Jersey Portfolio of Insurance;

"Transferring Jersey Liabilities" means the entire amount of all debts, liabilities and obligations (whether actual, future or contingent and whether known or unknown at the Jersey Effective Time) owed or to be performed by a Transferor to the Jersey Policyholders or third parties arising out of or in connection with the Transferring Jersey Policies or the Transferring Jersey Assets, but excluding the Residual Jersey Liabilities;

"Transferring Jersey Policies" means the long term assurance and non-life insurance payment protection insurance policies written by the Transferors up to and including the Jersey Effective Time which form part of the long term insurance business and the general insurance business (as each such expression is interpreted for the purpose of the Insurance Business Law) carried on by a Transferor at the Effective Time in or from within Jersey, including all certificates, supplemental coverages, endorsements, riders and ancillary agreements in connection therewith and all rights, interests, benefits, powers, liabilities and obligations of a Transferor therein but excluding the Excluded Jersey Policies; and

"Transferring Jersey Policyholders" means all holders of the Transferring Jersey Policies up to and including the Jersey Effective Time.

1.2 In this Jersey Scheme, unless the subject or context requires otherwise:

- 1.2.1 words and expressions defined in the Irish Scheme shall have the same meanings as are given to them in the Irish Scheme; and
- 1.2.2 expressions used in the Jersey Scheme which have meanings under the Insurance Business Law shall bear those meanings.

1.3 Without prejudice to the generality of paragraph 3.1 of this Jersey Scheme, the principles of interpretation set out in paragraph 1.2 of the Irish Scheme shall be incorporated by reference into and shall form part of this Jersey Scheme as if reproduced herein, *mutatis mutandis*.

2. INTRODUCTION

2.1 Monument Insurance designated activity company ("**MIDAC**") is a non-life assurance company, incorporated in Ireland on 7 May 1997 with registered number 265959. It has its registered office and principal place of business at Two Park Place, Upper Hatch Street, Dublin 2. The sole shareholder of MIDAC is Monument Re Limited (being a company incorporated under the laws of Bermuda, having its registered office at Crown House, Par-la-Ville Road, Hamilton, HM08 Bermuda).

2.2 MIDAC is authorised by the Central Bank of Ireland (the "**Central Bank**") to carry on life insurance business in Class I (*Accident*), Class II (*Sickness*), Class VII (*Goods in Transit*), Class VIII (*Fire and Natural Forces*), Class IX (*Other Damage to Property*) and Class XVI (*Miscellaneous Financial Loss*) as set out in Schedule 1 of the European Union (Insurance and Reinsurance) Regulations 2015 (the "**2015 Regulations**").

2.3 MIDAC has a Category A permit granted under Article 7 of the Insurance Business Law in respect of general insurance business of a type falling within the following paragraphs of Part 2 of Schedule 1 to the Insurance Business Law: paragraph 1 (*Accident*), paragraph 2 (*Sickness*), paragraph 7 (*Goods in transit*), paragraph 8 (*Fire and natural forces*), paragraph 9 (*Damage to property*) and paragraph 16 (*Miscellaneous financial loss*).

2.4 Monument Assurance designated activity company ("**MADAC**") is a life assurance company, incorporated in Ireland on 7 May 1997 with registered number 265960. It has its registered office and principal place of business at Two Park Place, Upper Hatch Street, Dublin 2. The sole shareholder of MADAC is MIDAC (being a company incorporated under the laws of Ireland).

2.5 MADAC is authorised by the Central Bank to carry on life insurance business in Class I (*Life assurance and contracts to pay annuities on human life, but excluding Classes II and III*) and Class IV (*Permanent health insurance contracts*) as set out in Schedule 2 of the 2015 Regulations.

2.6 MADAC has a Category A permit granted under Article 7 of the Insurance Business Law in respect of long term insurance business of a type falling within the following paragraphs of Part 1 of Schedule 1 to the Insurance Business Law: paragraph I (*Life and annuity*) and paragraph IV (*Permanent health*).

2.7 Monument Life Insurance DAC (previously Laguna Life designated activity company) (the "**Transferee**") is a life assurance company incorporated in Ireland on 8 April 2000 with registered number 325795. It has its registered office and principal place of business at Two Park Place, Upper Hatch Street, Dublin 2. The sole shareholder of the Transferee is MADAC (being a company incorporated under the laws of Ireland). Laguna Life DAC changed its name to Monument Life Insurance DAC with effect from 2 April 2020.

2.8 The authorisations held in respect of each of MIDAC and MADAC (each a "**Transferor**" and together the "**Transferors**") and the Transferee remain in full force and effect, however they are all closed to new business save for premium top-ups permitted under the existing terms and conditions of the Transferring Policies.

2.9 The Transferee is authorised by the Central Bank to carry on life insurance business in Class I (*Life assurance and contracts to pay annuities on human life, but excluding Class II and III*) Class III

(*Contracts linked to investment funds*) and Class IV (*Permanent health insurance contracts*) as set out in Schedule 2 of the 2015 Regulations. The Transferee is also authorised to carry on non-life insurance class I, II and XVI (such authorisation extending to cover the closed books of business which are transferring from MIDAC and MADAC pursuant to the Irish Scheme only).

- 2.10 The Portfolio of Insurance which is being transferred comprises the Portfolio of Life Assurance and the Portfolio of Non-Life Insurance and the Transferee's authorisation enables it to take receipt of the entire Portfolio of Insurance.
- 2.11 The Transferee has a Category A permit pursuant to the Insurance Business Law in respect of general insurance business of a type falling within the following paragraphs of Part 2 of Schedule 1 to the Insurance Business Law: paragraph 1 (*Accident*), paragraph 2 (*Sickness*) and paragraph 16 (*Miscellaneous financial loss*) and long term insurance business of a type falling within the following paragraphs of Part 1 of Schedule 1 to the Insurance Business Law: paragraph I (*Life and annuity*) and paragraph IV (*Permanent health*), in order to permit it to carry on the business heretofore carried on by the Transferors.
- 2.12 It has been agreed by the board of directors of each of the Transferors and by the Board of directors of the Transferee to approve the draft Irish Scheme and the draft Jersey Scheme, subject to the requirements of the Central Bank (in respect of the Irish Scheme) and the JFSC (in respect of the Jersey Scheme) and the sanction of the High Court of Ireland (in respect of the Irish Scheme) and the Royal Court (in respect of the Jersey Scheme).
- 2.13 It is intended that the Transferee should acquire the insurance business carried on by the Transferors (being the Portfolio of Insurance and which shall not comprise (i) the Excluded Assets; (ii) the Excluded Liabilities or (iii) the Excluded Policies) with effect from the Effective Time and in accordance with the terms and conditions set out in the Irish Scheme.
- 2.14 The Jersey Portfolio of Insurance is part of the Transferring Business and it is intended that the Jersey Portfolio of Insurance be transferred to the Transferee with effect as and from the Jersey Effective Time on substantially the same terms as the Irish Scheme. Accordingly it is proposed that a Jersey Order of the Royal Court be sought for the sanction of this Jersey Scheme.
- 2.15 The Transferors have notified the JFSC of the terms of this Jersey Scheme in accordance with the Insurance Business Law.
- 2.16 The Transferors and the Transferee hereby agree to appear by Counsel on the hearing of the application to sanction this Jersey Scheme and have undertaken to be bound by the Jersey Scheme and to take all reasonable steps (including the execution of documents) which may be necessary or expedient to give effect to this Jersey Scheme.

3. TRANSFER OF BUSINESS BY INCORPORATION OF THE IRISH SCHEME

- 3.1 The terms of the Irish Scheme shall apply to the Jersey Portfolio of Insurance, the Transferring Jersey Assets and the Transferring Jersey Liabilities in the same manner as they apply to the Transferring Business, the Transferring Assets and the Transferring Liabilities, and (save to the extent inconsistent with any of the provisions of the Jersey Scheme) the terms of the Irish Scheme (subject to the excluded paragraphs of the Irish Scheme set out at paragraph 3.1.21 of this Jersey Scheme) shall be incorporated in to and shall form part of the Jersey Scheme as if reproduced herein, *mutatis mutandis*. For this purpose, the following definitions of the Irish Scheme shall be read and construed as follows:

- 3.1.1 Books and Records shall be read as Jersey Books and Records;

- 3.1.2 Court shall be read as the Royal Court;
 - 3.1.3 Effective Time shall be read as Jersey Effective Time;
 - 3.1.4 Excluded Assets shall be read as Excluded Jersey Assets;
 - 3.1.5 Excluded Liabilities shall be read as Excluded Jersey Liabilities;
 - 3.1.6 Order shall be read as Jersey Order;
 - 3.1.7 Policyholders shall be read as Jersey Policyholders;
 - 3.1.8 Portfolio of Insurance shall be read as Jersey Portfolio of Insurance;
 - 3.1.9 Portfolio of Life Assurance shall be read as Jersey Portfolio of Life Assurance;
 - 3.1.10 Portfolio of Non-Life Assurance shall be read as Jersey Portfolio of Non-Life Assurance;
 - 3.1.11 Residual Asset shall be read as Residual Jersey Asset;
 - 3.1.12 Residual Liabilities shall be read as Residual Jersey Liabilities;
 - 3.1.13 Retained Records shall be read as Jersey Retained Records;
 - 3.1.14 Sanctions Hearing shall be read as Jersey Sanctions Hearing;
 - 3.1.15 Scheme shall be read as Jersey Scheme;
 - 3.1.16 Subsequent Transfer Date shall be read as Subsequent Jersey Transfer Date;
 - 3.1.17 Transferring Assets shall be read as Transferring Jersey Assets;
 - 3.1.18 Transferring Contracts shall be read as Transferring Jersey Contracts;
 - 3.1.19 Transferring Liabilities shall be read as Transferring Jersey Liabilities;
 - 3.1.20 Transferring Policies shall be read as Transferring Jersey Policies;
 - 3.1.21 all references to the Anti-Money Laundering Requirements shall be read as including reference to the equivalent provisions of all applicable know-your-client, anti-money laundering, anti-corruption and counter-terrorism laws, including without limitation the Proceeds of Crime (Jersey) Law 1999, the Drug Trafficking Offences (Jersey) Law 1988, the Terrorism (Jersey) Law 2002, the Terrorism (United Nations Measures) (Channel Islands) Order 2001 and the Al-Qa'ida and Taliban (United Nations Measures) (Channel Islands) Order 2002, the Money Laundering (Jersey) Order 2008 and all application sanctions; and
 - 3.1.22 all references to the Data Protection Legislation shall be read as including reference to the equivalent provisions of the Data Protection (Jersey) Law 2018.
- 3.2 Paragraphs 3 (*Effective Time*), 13.7 (*Modifications or additions*) and 13.11 (*Governing Law*) of the Irish Scheme shall not form part of and shall not be incorporated into this Jersey Scheme.

3.3 This Jersey Scheme is ancillary to the Irish Scheme. Nothing in this Jersey Scheme shall operate so as to prevent or conflict with any transfer provided for by the Irish Scheme.

4. **JERSEY EFFECTIVE TIME**

4.1 Subject to paragraph 4.2, this Jersey Scheme shall become operative simultaneously with the Irish Scheme becoming operative or shall lapse in accordance with the terms of the Irish Scheme unless otherwise ordered by the Royal Court on the application of the Transferors and the Transferee.

4.2 Notwithstanding paragraph 4.1, in the event that the Royal Court imposes any modification of or addition to this Jersey Scheme or any further condition or provision affecting the same, this Jersey Scheme shall not become operative on the Jersey Effective Time unless the Transferors and the Transferee consent to such modification, addition or condition.

5. **MODIFICATIONS OR ADDITIONS**

5.1 The Transferors and the Transferee may consent for an on behalf of themselves, and may consent on behalf of all other persons concerned (other than the JFSC) to any amendment, modification or addition to this Jersey Scheme or to any other further condition or provision affecting this Scheme which the Court may approve or impose prior to the sanction of this Jersey Scheme.

5.2 Subject to paragraphs 5.4 and 5.5 of this Jersey Scheme, after the Jersey Effective Time, the Transferee may vary the terms of this Scheme with the consent of the Royal Court, including, if at any time, the provisions of this Jersey Scheme, in the opinion of the board of directors of the Transferee, prove to be impossible, impracticable or inequitable to implement, provided that in any such case:

5.2.1 the JFSC shall be notified of and be given the opportunity to be heard at the hearing of the Royal Court at which such application is considered;

5.2.2 such application shall be accompanied by a report from an independent actuary to the effect that in their opinion the proposed amendment will not materially adversely affect the interests of the Transferring Jersey Policyholders affected by the proposed amendment; and

5.2.3 to the extent any such variation affects any right, obligation or interest of the Transferors, the Transferors have consented thereto.

5.3 If the approval of the Royal Court is granted in accordance with paragraph 5.2 of this Jersey Scheme, the Transferee may amend the terms of this Scheme in accordance with the terms of the Royal Court.

5.4 Subject to paragraph 5.5 of this Jersey Scheme, the consent of the Royal Court shall not be required in relation to minor and/or technical amendments to the terms of this Jersey Scheme (including amendments to correct manifest errors) that may be agreed by the Transferor and the Transferee in writing, provided that the JFSC has been notified of the same at least 28 days in advance of the amendment being made and has not objected (unless the JFSC has confirmed non-objection prior to that date).

5.5 Any action taken or to be taken, and any thing done or to be done, by or on behalf of the Transferors, the Transferee or any other person in connection with or in relation to the Schedule to this Jersey Scheme which would (but for this paragraph 5.5 of this Jersey Scheme) require the

consent, approval or confirmation of no objection of or by the Royal Court, the JFSC or any other person, or require any notification to be made or any certification to be given by or to any person, shall not require such consent, approval or confirmation to be given, and shall not require the making of such notification or the giving of such certification, if such action is taken or such thing is done in accordance with the terms of the Irish Scheme.

6. **GOVERNING LAW**

This Jersey Scheme and any disputes or claims arising out of or in connection with its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with Jersey law.

SCHEDULE: THE IRISH SCHEME

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